

U.S. Patent Application of Siegel et al. - 09/659,525 - Art Unit: 3611
SUPPLEMENTAL AMENDMENT

REMARKS

This Supplemental Amendment After Final Rejection and Request for Reconsideration is responsive to the Examiner's request for a corrected version of applicant's August 18, 2004 Amendment After Final Rejection and Request for Reconsideration, which in turn was a response to the Final Rejection mailed on May 18, 2004. The Examiner has noted that in our first Amendment, matter to be deleted from the claims was indicated by bracketing, which is incorrect patent format, instead of by striking out, which is the correct patent format. The claims in this Supplemental Amendment have been re-formatted so that all deletions are now indicated with striking out, not with bracketing. The remainder of this Supplemental Amendment is the same as our Amendment of August 18, 2004.

Applicants request an extension of two months to re-set the due date for filing this response from July 18, 2004, to September 18, 2004, and the U.S. Patent Office is requested to charge the fee to our account no., 10-0100.

Claims 1, 3, 6, 8, 9, 11, 14-16, 18, 21 and 22 have been rejected as being obvious and, therefore, unpatentable on the basis of the primary Ritter patent, U.S. Patent No. 5,217,056, in view of or when combined with the secondary reference, the Dilday et al. patent, U.S. Patent No. 6,484,940.

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It is noted that claim 7 is not indicated in the Office Action as a pending claim, an allowed claim or a rejected claim. Yet, according to applicant's file, it appears that claim 7 has never been canceled, and, therefore, it is believed that the Examiner inadvertently failed to mention claim 7 in this Office Action. However, for purposes of this response, applicant will treat claim 7 as likewise having been rejected on the aforementioned grounds, as were the other remaining claims of record.

All of the claims, therefore, have been rejected for reasons set forth in paragraph 1, starting at page 2 of the Office Action. Thus the Examiner states that Ritter teaches a pouch-type holder having front and rear covers connected around *three* side edges to form a pocket having an opening. The pouch, the Examiner continues, also has an opening 23 adapted to receive a clip 21 and a strap 22. The Examiner believes that the pouch is adapted to hold a memory-encoded card such as a credit card, and that the reference teaches a raised portion 14 on the rear piece 12 that acts as a securing element to hold the card back after it is inserted into the receiving space to guarantee that the inserted card will not slip out, directing applicant's attention to column 3, lines 34-42. However, the Examiner concedes that Ritter does not teach an optical-memory-encoded card. To fill this perceived deficiency in Ritter, the Examiner relies on the Dilday et al. patent, which, the Examiner states, teaches a data-storage card having optical and magnetic data storage regions. The Examiner concludes that it would have been obvious to one having ordinary skill in the art at

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the time that the invention was made to construct a credit card pouch taught by Ritter to hold the credit card with magnetic and optical memory to provide a means to protect the magnetic and optical memory regions from damages. The Office Action was made final because the new grounds for rejection, according to the Examiner, were necessitated by applicant's Amendment. For reasons to be more fully discussed below, in light of the amendments made to the claims, the Examiner is respectfully requested to reconsider and withdraw the outstanding rejections, and allow this application.

Turning to the amended claims, and discussing claim 1 as typical of the remaining independent claims, claim 1 now requires that access means be provided that cooperates with the protective enclosure for initially obstructing the optical memory from being removed from the protective enclosure and for subsequently for permanently eliminating any obstruction to thereby allow for free movement of the optical memory from and into the protective enclosure after the access means is altered by the user to allow the optical memory to be initially withdrawn from the protective enclosure. Thus, the claims now require that some access means be provided that permanently and irreversibly modifies the protective enclosure once it is modified to allow removal of the optical memory. Prior to modification, the optical memory is essentially sealed or encased within the protective enclosure to ensure that the optical memory is not damaged during shipment and handling of the product to which the hangtag is attached. However, once the product is sold and a

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user modifies the protective enclosure in a manner that allows removal of the optical memory, such as severing the optical enclosure and cutting off one of its edges or removing the elongate member or tie or cord, that extends through the panels of the protective enclosure, such as a pouch, in a way that initially blocks the optical memory from being removed from the pouch. Once the product is sold and the cord is removed, this allows the optical memory to be removed and thereafter the optical memory can be repeatedly inserted and removed from the pouch, as the cord is no longer there to prevent its withdrawal.

It is respectfully submitted that the claims currently of record clearly and patentably distinguish over Ritter, for a number of reasons. Initially, the Ritter patent is not for a hangtag, but instead is simply a protective holder for credit cards and the like. The protective holder of Ritter is not intended, nor is it designed, to be modified prior to or subsequent to sale to a user. Instead, the protective holder is designed to always provide the same access opening along one edge with a protuberance 14 that selectively always allows the credit card to be retained within the holder, but that also always allows it to be removed by a user. This occurs at all times with the Ritter protective holder. In contrast, with the hangtag of the present invention, it is contemplated that the optical memory is initially encapsulated and protected during shipment and handling until the product is sold. Once the product is sold, the hangtag is modified by the user in some form so that the optical memory can be initially removed. After it is initially removed, the hangtag is

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permanently and irreversibly modified so that there no longer exists any impediment to the free removal of the optical memory. Ritter, on the other hand, continues to include a blocking element regardless of how many times the credit card is inserted into or removed from the holder.

While Montague has not been cited in the final rejection, the arguments that have been made with regard to Montague are here incorporated as if fully set forth herein. The claims of record likewise distinguish over Montague in that the sleeve 110, shown in Fig. 5 of Montague, includes not only a permanent opening at 114 at all times, both prior to and subsequent to sale to a purchaser, but also there is provided a finger cut-out in the upper panel at 116 that permanently exposes at least a portion of the optical memory at all times, including during handling, shipment, etc. With the present invention, as suggested, the optical CD is initially encapsulated and protected from either removal or contact in a way that might scratch or otherwise damage the optical memory. It is only after the product to which the hangtag is sold and the user makes an overt decision to remove the optical memory from the pouch that the pouch is permanently and irreversibly altered or modified so that the optical memory can thereafter be repeatedly inserted and withdrawn without any impediments whatsoever.

Additionally, the Examiner has not set forth any evidence as to why there would be any incentive for combining the references as proposed. It is respectfully submitted that

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there is nothing in either Ritter or Dilday et al. that suggests that these references be combined as proposed by the Examiner. In fact, these two patents have been classified in entirely different classes, and it is not believed that a person skilled in the art of the classes of one of these patent would necessarily also be skilled the classes of the other patent. Ritter, for example, has been classified in Class 150 (purses, wallets, protective covers) and Class 206 (special receptacle or package), while Dilday et al. shows more involved in the recording of media, and is classified in Class 235 (registers) and Class 360 (dynamic, magnetic information storage or retrieval). It is clear, therefore, that there is no overlap of even one class or subclass, and there appears to be no reason why one skilled in special receptacles or packages, for example, would be familiar with dynamic, magnetic information storage or retrieval systems.

The statutory standard for the ultimate determination of obviousness provides that a claimed invention is unpatentable if the differences between it and the prior art 'are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art.' 35 U.S.C. § 103 (1994). In line with this statutory standard, the case law provides that 'the consistent criterion for determination of obviousness is whether the prior art would have suggested to one of ordinary skill in the art that this process should be carried out and would have a reasonable likelihood of success, viewed in the light of the prior art.' *In re Dow Chem.*, 837 F.2d 469, 473, 5 USPQ2d 1529,

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1531 (Fed. Cir. 1988).

Two requirements are contained in this criterion. The first requirement is that a showing of a suggestion, teaching, or motivation to combine the prior art references is an 'essential evidentiary component of an obviousness holding.' *C.R. Bard, Inc., v. M3 Sys. Inc.*, 157 F.3d 1340, 1352, 48 USPQ2d 1225, 1232 (Fed. Cir. 1998)."

(i) This evidence may flow from the prior art references themselves, the knowledge of one of ordinary skill in the art, or, in some cases, from the nature of the problem to be solved. See *Pro-Mold & Mold Co. v. Great Lakes Plastics, Inc.*, 75 F.3d 1568, 1573, 37 USPQ2d 1626, 1630 (Fed. Cir. 1996). However, the suggestion more often comes from the teachings of the pertinent references. See *Om re Roufflet*, 149 F.3d 1350, 1359, 47 USPQ2d 1453, 1459 (Fed. Cir. 1998).

(ii) The showing must be clear and particular, and broad conclusory statements about the teaching of multiple references, standing alone, are not 'evidence.' See *Dembiczak*, 175 F.3d 994, 1000, 50 USPQ2d 1614, 1617.

The U.S. Patent and Trademark Office cannot rely on conclusory statements when dealing with particular combinations of prior art and specific claims, but must set forth the rationale on which it relies. The factual inquiry whether to combine references must be thorough and searching. It must be based on objective evidence of record. This precedent has been reinforced in myriad decisions, and cannot be dispensed with. See, e.g., *Brown &*

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Williamson Tobacco Corp. v. Philip Morris Inc., 229 F.3d 1120, 1124-25, 56 USPQ2d 1456, 1459 (Fed. Cir. 2000) ('a showing of suggestion, teaching, or motivation to combine the prior art references is an "essential component of an obviousness holding" (quoting *C.R. Bard, Inc. v. M3 Systems, Inc.*, 157 F.3d 1340, 1352, 48 USPQ2d 1225, 1232 (Fed. Cir. 1998)); *In re Dembiczak*, 175 F.3d 994, 999 50 USPQ2d 1614, 1617 (Fed. Cir. 1999) ('Our case law makes clear that the best defense against the subtle but powerful attraction of a hindsight-based obviousness analysis is rigorous application of the requirement for a showing of the teaching or motivation to combine prior art references.');

In re Dance, 160 F.3d 1339, 1343, 48 USPQ2d 1635, 1637 (Fed. Cir. 1998) (there must be some motivation, suggestion, or teaching of the desirability of making the specific combination that was made by the applicant); *In re Fine*, 837 F.2d 1071, 1075, 5 USPQ2d 1596, 1600 (Fed. Cir. 1988) ("teachings of references can be combined *only* if there is some suggestion or incentive to do so.") (emphasis in original) (quoting *ACS Hosp. Sys., Inc. v. Montefiore Hosp.*, 732 F.2d 1572, 1577, 221 USPQ 929, 933 (Fed. Cir. 1984)).

The need for specificity pervades this authority. See, e.g., *In re Kotzab*, 217 F.3d 1365, 1371, 55 USPQ2d 1313, 1317 (Fed. Cir. 2000) ('particular findings must be made as to the reason the skilled artisan, with no knowledge of the claimed invention, would have selected these components for combination in the manner claimed'); *In re Roufflet*, 149 F.3d 1350, 1359, 47 USPQ2d 1453, 1459 (Fed. Cir. 1998) ('even when the level of skill in

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the art is high, the Board must identify specifically the principle, known to one of ordinary skill, that suggests the claimed combination. In other words, the Board must explain the reasons one of ordinary skill in the art would have been motivated to select the references and to combine them to render the claimed invention obvious.');

In re Fritch, 972, F.2d 1260, 1265, 23 USPQ2d 1780, 1783 (Fed. Cir. 1992) (the examiner can satisfy the burden of showing obviousness of the combination 'only by showing some objective teaching in the prior art or that knowledge generally available to one of ordinary skill in the art would lead that individual to combine the relevant teachings of the references').

Thus, where the Board has rejected the need for 'any specific hint or suggestion in a particular reference' to support the combination of the ... references, omission of a relevant factor required by precedent is both legal error and arbitrary agency action. *In re Lee*, 277 F.3d 1338, 61 USPQ2d 1430 (Fed. Cir. 2002).

To establish a *prima facie* case of obviousness, the U.S. Patent Office must, *inter alia*, show 'some objective teaching in the prior art or that knowledge generally available to one of ordinary skill in the art would lead that individual to combine the relevant teachings of the references.' *In re Fine*, 837 F.2d 1071, 1074, 5 USPQ2d 1596, 1598 (Fed. Cir. 1988). See, also, *In re Thrift*, 298 F.3d 1357, 63 USPQ2d 2002 (Fed. Cir. 2002).

There must be a teaching or suggestion within the prior art, within the nature of the problem to be solved, or within the general knowledge of a person of ordinary skill in the

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field of the invention, to look to particular sources, to select particular elements, and to combine them as combined by the inventor. *Crown Operations International, Ltd. v. Solutia Inc.*, 289 F.3d 1367, 62 USPQ2d 1917 (Fed. Cir. 2002). Anything less is clearly hindsight reconstruction, which has been consistently forbidden by the courts.

The Examiner has simply alleged broad conclusory statements, without pointing to any objective evidence in the references or elsewhere, that shows it would have been obvious to combine because the motivation to do so was present in the prior art. This is error, and it fails to establish a prima facie showing of obviousness under 35 U.S.C. § 103.

It has been respectfully submitted herein that the prior art of record does not establish a motivation for the proposed combination. As suggested above, even if the motivation was there to combine the references as proposed by the Examiner, the resulting combinations would still fail to meet the limitations of the rejected claims, particularly as amended herein. Accordingly, the Examiner is respectfully requested to reconsider the rejections of the claims and withdraw the same.

In view of the foregoing, it is respectfully requested that this application and all of the claims of record therein be allowed. If the Examiner maintains the outstanding rejections, it is respectfully requested that the claims at least be entered for purposes of appeal, as they place the application in better condition for appeal.

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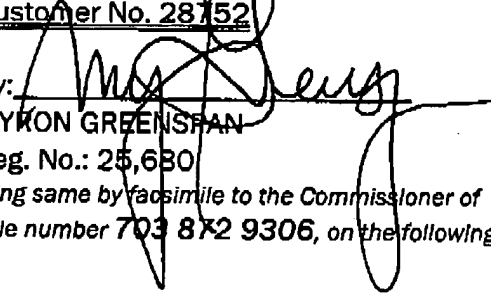
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Early allowance and issuance of the subject application is, accordingly, respectfully solicited.

Applicant hereby petitions that any and all extensions of time of the term necessary to render this response timely be granted. COSTS FOR SUCH EXTENSION(S) AND/OR ANY OTHER FEE DUE WITH THIS FEE DUE WITH THIS PAPER THAT ARE NOT FULLY COVERED BY AN ENCLOSED CHECK MAY BE CHARGED TO DEPOSIT ACCOUNT #10-0100.

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I hereby certify that this correspondence is being filed by sending same by facsimile to the Commissioner of Patents, Attn: Cassandra Hope Davis, Art Unit 3611, at facsimile number 703 872 9306, on the following date:

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